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MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES,

TRANSMITTING

Copies of Letters received at the Department of State,

ON THE

SUBJECT OF THE DUTIES

DISCRIMINATING BETWEEN

IMPORTED ROLLED AND HAMMERED IRON.

MAY 3, 1822.

Read, and referred to the Committee of Ways and Means.

WASHINGTON:

PRINTED BY GALES & SEATON.

1822.

To the House of Representatives
of the United States:

I transmit, herewith, to Congress, copies of letters received at the Department of State from the Minister of Great Britain, on the subject of the duties discriminating between imported rolled and hammered iron.

I recommend them, particularly, to the consideration of Congress, believing, that, although there may be ground for controversy with regard to the application of the engagements of the treaty to the case, yet a liberal construction of those engagements would be compatible at once with a conciliatory and a judicious policy.

JAMES MONROE.

Washington, 1st May, 1822.

ENCLOSURES.

Mr. Bagot to	Mr. Adams,	18th November,	1816.
Mr. Antrobus to	same	22d do.	1819.
Same	to same	1st May,	1820.
Mr. Canning	to same	31st March,	1821.
Same	to same	26th November,	1821.

Mr. Bagot to Mr. Adams.

WASHINGTON, *November* 18, 1816.

SIR: I have the honor to call your attention to one of the provisions of an act of the United States' Congress, passed on the 27th of August last, entitled "An act to regulate the duties on imports and tonnage," which appears to have originated in some misapprehension of the real nature of one of the principal manufactories of Great Britain, and which has had an operation not only very prejudicial to the British manufacturer, but contrary, as it should seem, to the spirit and intent of the 2d article of the commercial treaty.

By the 2d article of the commercial treaty between Great Britain and the United States, it is stipulated, "that no higher duties shall be imposed on the importation of any articles, the growth, produce, or manufacture, of his Britannic Majesty's territories in Europe, than are or shall be payable on the like articles, being the growth, produce, or manufacture, of any other foreign countries." By the act of the United States, to which I have referred, it is, among other things, enacted, in the sixth section, that, upon importation into the United States, iron in bars or bolts, except iron manufactured by rolling, shall pay a duty of 45 cents per cwt., and that in bars and bolts, when manufactured by rolling, and anchors, it shall pay a duty of 150 cents per cwt.

It was probably not known that the bar and bolt iron manufactured in Great Britain is, in the last process, rolled; whereas, the same article, both in Sweden and in Russia, instead of being rolled, is, in the same process, hammered; but when the iron is manufactured into bar or bolt, whether by rolling or hammering, it is in precisely the *same* progress of manufacture, and is, in every respect, applicable to the same purposes of use and ulterior manufacture, and, consequently, is, to all intents, "a like article." But, by the inequality of the duties which have been imposed, it seems to have been imagined, that rolled bar and bolt iron is in a state of manufacture beyond that of hammered iron, and you will observe, that this supposition is strengthened by the circumstance of its being classed with anchors, which are in a state of complete and finished manufacture, and are worth £35 per ton in the British market; whilst bar and bolt iron is only worth £11 per ton.

It is to be assumed, that, whenever duties are imposed on any foreign article in a graduated scale proportioned to its manufactured state, it is intended that the duty should be regulated by that state alone, and not by the process by which it is brought to that state. Iron, in a certain state of manufacture, is to be charged with a certain duty; the means of bringing it to that state, whether by hammering or rolling, is not to be had in consideration; for, if it were, the effect would be to force each nation to use exactly the same process, and, what certainly never could have been intended, to check and punish the application of ingenuity and improvement.

Considering, therefore, that the bar and bolt iron manufactured in Great Britain, is, according to the true spirit and intent of the 2d article of the treaty of commerce, in every respect, "a like article" with that manufactured in Sweden and Russia, it is hoped that such measures will be taken by the government of the United States as will allow of its admission to importation at the same rate of duty, and will place the British manufacturer in that state of equality in respect to foreign nations, as may accord with the undoubted intention of the late treaty of commerce between the two countries.

I have the honor to be, with the highest consideration,

Sir, your most obdt. humble servant,

CHARLES BAGOT.

JOHN QUINCY ADAMS,
Secretary of State.

Mr. Antrobus to Mr. Adams.

WASHINGTON, *22d November*, 1819.

SIR: I have the honor to inform you that I have been instructed by his Majesty's government again to bring under your notice the difference of duties levied in the ports of this country on British and other foreign iron, in bars and bolts.

It is stipulated by the commercial convention between Great Britain and the United States that articles, the growth, produce, and manufacture of Great Britain shall pay no higher duties, on importation into the United States, than like articles, the growth, produce, and manufacture of any other foreign countries.

Mr. Bagot, in a letter of the 18th November, 1816, addressed to Mr. Monroe, at that time Secretary for the Department of State, to which I beg leave to refer you, has clearly pointed out that iron, manufactured in Great Britain by rolling, ought to be considered a like article to iron manufactured by hammering, both in Sweden and Russia; and I feel confident it is only necessary for me to call your attention to this similarity in the state of the manufacture of British and other foreign iron, in bars and bolts, to decide the government of the United States to adopt measures for the admission to importation of this article, on terms more consistent with the spirit of the Treaty of Commerce existing between the two nations.

I have the honor to be,

With the highest consideration, Sir,

Your most obedient humble servant,

G. CRAWFURD ANTROBUS.

JOHN QUINCY ADAMS,
Secretary of State.

Mr. Antrobus to Mr. Adams.

WASHINGTON, *May* 1, 1820.

SIR: In the month of November, of the year 1816, Mr. Bagot had the honor of addressing to Mr. Monroe, at that time Secretary of State, a note calling his attention to a provision of an act of Congress, passed on the 27th of April, of that year, entitled "An act to regulate the duties on imports and tonnage," imposing, on the importation into the United States of iron, in bars and bolts, manufactured by rolling, a duty equal to that paid on anchors, whereas by it iron in bars and bolts, manufactured by hammering, was subject to a lower duty.

On the 22d November last, I had the honor to address a note to you on the same subject, requesting the adoption, by the American government, of such measures as would give to the British merchant the advantages secured to him by the 2d article of the Treaty of Commerce between Great Britain and the United States, namely, "that "no higher duties shall be imposed on the importation to the United "States of any articles, the growth, produce, or manufacture of his "Britannic Majesty's territories in Europe, than are, or shall be, "payable on the like articles, being the growth, produce, or ma-"nufacture of any other foreign countries."

As it is understood that the modification of the tariff, thus sought for, can only be effected by an act of the legislature, and, as it is believed that the present session of that body is now drawing to a close, I take the liberty of again bringing this matter under your notice, and of expressing a hope that the present high rate of duty on the importation of rolled iron will no longer be allowed to exist, to the prejudice of the British manufacturer, and, it should seem, contrary to the spirit of the commercial treaty.

I have the honor to be,
With the highest consideration, Sir,
Your most ob't and humble servant,
G. CRAWFURD ANTROBUS.

JOHN QUINCY ADAMS,
Secretary of State.

Mr. Canning to Mr. Adams.

WASHINGTON, *March* 31*st*, 1821.

SIR: It is in obedience to instructions which I have lately received from His Majesty's government that I have the honor to recal your attention to a subject of considerable interest, on which Mr. Bagot and Mr. Antrobus have already had occasion, respectively, to open a correspondence with your office—I mean, the discrimination established by Congress in the duties on imported iron, manufactured by rolling or hammering.

I abstain for the present from troubling you with any additional argument in support of the general principles asserted by Mr. Bagot; but as there is reason to suppose that some erroneous notions have prevailed with respect to the process of rolling iron, as employed in the British manufactories, it is confidently hoped that an authentic statement of the real process will suffice to remove any objections which the government of the United States may still entertain to an equalization of the duties in question.

The pig iron is first purified, or refined, in what is called *a finery;* during which stage of the process, it loses in weight about 2½ cwt. per ton.

The metal thus refined is taken to the *Puddling furnace*, from which, after it has undergone the operation *of puddling*, it is conveyed in balls, each weighing about 60 *lbs.* to the *slabbing rolls* and there rolled into a *slab* or *rough bar*.

This bar is then divided into several pieces, which are placed in piles of three or four pieces together, and, after being again heated in a *reverberating furnace*, are rolled into what is called *a merchant bar*.

In these two stages there is a further waste of about 5 cwt. in the ton.

The metal after being refined in the puddling furnace, is sometimes placed under a *helve*, or iron hammer of three or four tons weight, and shingled or hammered into what is termed a *half bloom*, which is subsequently cut into pieces and rolled into a merchant bar, in the same way as the piled slabs. The quality of the manufactured metal, and the cost of the operation, are very nearly the same in both cases.

To these facts, which are derived on authority to all appearance unquestionable, from the principal iron manufactories in England, it may be added, that, even the pig-iron employed there, is probably of a superior quality, owing to the great care with which the dross is drawn off from the ore.

Persuaded that the preceding statement will receive at your hands an attentive and liberal consideration, I beg, sir, that you will accept the assurances with which I have the honor to be,

Your most obedient humble servant.

STRATFORD CANNING.

JOHN QUINCY ADAMS,
Secretary of State.

Mr. Canning to Mr. Adams.

WASHINGTON, *November* 26, 1821.

SIR: On the 31st of March I did myself the honor of writing to you with reference to the discriminating duties laid by Congress on imported rolled and hammered iron. It is under the special instructions of my government that I now return to a subject which has been

repeatedly pressed upon your notice, in full persuasion that, sooner or later, the Legislature of the United States would recognize the propriety and justice of repealing the exceptionable duty.

I do not feel myself at liberty to draw any inference unfavorable to this expectation from the silence with which you received my former letter. I abstained on that occasion from going at large into the merits of the question, conceiving that an exposition of certain facts, capable of being verified, would be sufficient until the meeting of Congress should furnish a fit occasion for examining the whole subject in a more complete and deliberate manner.

You will remember, sir, that the facts which I then stated, and to which I again solicit your attention, were calculated chiefly to remove the erroneous impressions entertained by some persons in this country, with respect to the real nature of British rolled iron, and the process of that manufacture. It had been asserted, that in rolling iron according to the practice of Great Britain, the metal was only twice heated, and so rapidly converted into bars, as not to allow of its acquiring those qualities which are supposed to be imparted to it by the more laborious operation of hammering. It now appears, from the testimony of many respectable individuals acquainted with this important branch of industry, that the iron is heated no less than three times, that it is refined with such effect as to lose $7\frac{1}{2}$ cwt. per ton in passing from the state of *pig iron* to that of *merchant bars*, and further, that it is cut into pieces after the first rolling, and piled so as to cross the grain when again heated and rolled.

In the qualities of rolled, as in those of hammered iron, there may be an occasional difference resulting from the nature of the ores employed in its composition. The British iron masters use a great variety of ores, the different mixtures and combinations of which have, doubtless, a considerable effect in producing a better or an inferior article. But to suppose that any difference is made in the quality or manufacture of British iron, when destined for the foreign market, other than when it is kept for home consumption, is an error which cannot be met with too distinct and positive a denial.

This notion, groundless as it is, has, however, been brought forward with others equally erroneous, to prevent an equalization of the duties on imported iron. It has even been alleged that while rolled iron is exported from Great Britain for the use of foreign countries, the British import large quantities of hammered iron from the north of Europe for their own use; and that, in ship building, this latter article, owing to its superior quality, is indispensable.

In reply to these assertions I appeal, with confidence, to the accounts of British and foreign bar iron employed in Great Britain, at three successive periods within the last sixteen years. In 1806, in 1814, and in 1820, the respective quantities of the former were 101,877, 137,365, 136,642; and those of foreign bar iron were 27,411, 11,635, and 6,242. To confirm the results suggested by this statement, it may be added that in Ireland, where a strong prejudice is known to have once prevailed in favor of foreign iron, the consump-

tion, which in 1807, was 5,690 of British, and 3,229 of foreign, was, in the year 1820, 474 of the latter, and no less than 13,073 of the former.

For the manufacture of steel, and for that alone, the Baltic iron has some advantage over British, and whatever quantity of it is imported into Great Britain, is either converted into steel, in which way it is at present almost exclusively used, or re-exported to those countries, where the nature and properties of British rolled iron are as yet imperfectly understood.

Concerning the particular point, of ship building, the abstract which follows, of the respective quantities of British and foreign iron, employed at different times by his majesty's Navy Board, must, of itself, carry conviction to every impartial mind.

Years.	*Foreign.*	*British.*
1806	457	1343.
1810	289	1668.
1815	82	1743.
1820	51	1824.

The truth is, that, except for making steel, any superior fitness for which is clearly an accident of nature, and not the effect of hammering, English bar iron is at least equal to that of Sweden and Russia. It is used throughout Great Britain in the most important constructions, in her manufactories, dock yards, and military establishments. It is prepared exactly in the same manner for exportation as for domestic consumption. It is never finished by a single rolling, except at a very few works, where the metal has been previously formed by hammering. It rarely happens, indeed, that the iron master knows, at the time of manufacturing, for which market the iron is destined, and when he is apprized of this circumstance, a sense of his own interest, the interest of the trade, would alone restrain him from sending an inferior manufacture to the foreign market.

It is, in short, the greatest of delusions to imagine that the consumers of iron are interested in giving a preference to the process of hammering over that of rolling. The Baltic manufacturers have, doubtless, their reasons for adhering to their former practice, but so far from their deriving any claim to superiority from that circumstance, it is well known to persons familiar with the trade, that their iron would be improved rather than deteriorated by the application of the rolling machine. This being the case, it would be absurd to defend the discriminating duty on the ground of its preventing the manufacture of rolled iron in the northern countries of Europe.

Even in the counter statements which have been made upon this subject, it is admitted, not only that the ores of England may be equal to those of other countries, but also that the process of rolling only requires to be repeated in order to place it upon a level with that of hammering. Allow me, sir, to remark, in reference to this admission, that in the present state of your legislative enactments, the

British iron imported into the United States might pass under the roller any number of times, without being relieved, on that account, from the pressure of which I complain.

The difference of value, or cost, at which the rolled and hammered iron may be prepared for sale, can surely present no argument in favor of the discriminating duties. That difference, whatever it may be, is a natural result of labor-saving machinery; it is the just reward of ingenuity employed with success in the service of mankind. Science and inventive genius are peculiar to no soil, all nations have an interest in their progress, and to grudge them a fair remuneration, would be no less unworthy of the character, than foreign to the views of an enlightened legislature.

I have now, sir, replied, and I trust, conclusively, to such parts of the explanatory statement which you communicated to Mr. Antrobus, in your letter, dated the 31st of May, 1820, as were grounded, how justly I leave to your candor, on the principle of expediency. It remains for me to take a more comprehensive view of the case, as involving, in my belief, a breach of agreement, unintentional no doubt but not, therefore, less prejudicial to his majesty as a contracting party, nor calling the less for a seasonable amendment.

By the second article of the convention of commerce, subsisting between the two countries, it is declared, that "no higher or other duties shall be imposed on the importation into the United States of any articles the growth, produce, or manufacture of his Britannic majesty's territories in Europe, than are, or shall be, payable on the *like articles*, being the growth, produce, or manufacture, of any other foreign country." To secure certain stipulated advantages, reciprocally to both the contracting parties, was the general object of the convention; to secure to the produce and manufactures of Great Britain, a fair unshackled competition in the markets of the United States with all articles of a similar nature imported from other foreign countries, is the plain indisputable object of this particular clause. But how can these objects be considered as fully or adequately effected while British bar iron is made to pay, on its importation into the United States, double the amount of duty levied on the same article when imported from Sweden and Russia? I am aware of the distinction which has been drawn between rolled and hammered iron, and of the assertion, founded on that distinction, that so long as all importations of hammered, and all importations of rolled iron, are subject, respectively, to the same rate of duty, Great Britain has no right to complain. But Great Britain being the sole exporter of rolled iron, the discriminating duties do in fact operate to her prejudice, and, in point of principle, it will not be difficult to shew that the articles in question are truly and essentially like articles, such as cannot, with any color of reason, be excluded from the benefit of the treaty.

You will readily admit, sir, that like articles, in the sense of the convention, must necessarily be such as are similar to each other in their leading characteristic properties. On any other supposition,

the clause in question is an idle form of words,' and, contrary to the very end and purpose of the treaty, a door would be opened to arbitrary interpretation in one of its principal provisions. Now, the process or mechanical operation by which an article is manufactured, can surely never be reckoned among its properties. Any difference of use, or quality, resulting from the mode of manufacture, may indeed constitute a fair ground of distinction; but there is every reason to believe that no such difference exists in the present instance. It has been shewn, on the contrary, that, for all the ulterior purposes to which bar iron, as such, is applicable, the rolled is equally good with the hammered; that both the one and the other are sent to market in the same stage of manufacture, and that the only difference between them is one of a retrospective nature, not affecting the identity of their present state, but relating solely to the process by which they were brought to the same point.

To borrow an illustration from language—two words of similar meaning, in common acceptation, would surely not be deemed the less synonimous because they might be traced to different roots, or had passed through different modes of formation.

I further intreat you, sir, to observe with what facility the same distinction may be extended to other articles of commerce. Even the chief staple of your southern states might, upon the same principle, be discriminated in British ports from the cotton of Brazil or the Levant, for no other reason than because it had been prepared by Mr. Whitney's ingenious and useful machinery. Examples, bearing upon either party, might easily be multiplied; I have taken this because it is the most obvious. In fact, the same natural productions are common to so many different countries, while the means of improving them are varied according to the vast diversity of local resources, that even of those articles which barely rank as manufactures, few might not be brought within range of the same distinction which is now applied, unwarrantably, I think, to bar iron. That a latitude of interpretation, thus tending to nullify one of the principal clauses of the treaty, should have been contemplated by those who framed it, is utterly inconceivable. Yet this, sir, is the conclusion to which we must come, if it be admitted that rolled and hammered bar iron are not *like articles*; an admission which, taking the fair and natural meaning of that phrase, would surely be equivalent to saying that what is bar iron when hammered, is not bar iron when rolled.

It is with regret, sir, that I have found it necessary to take up so much of your time on this subject; but I feel persuaded that you will appreciate its importance, and that it will receive from the American government an early and equitable revisal, to the end of relieving, by law, the importations of British rolled iron from the present discriminating duty, and thereby fulfilling the obligations of the commercial treaty.

I embrace this opportunity, sir, to repeat to you the assurance of my perfect consideration.

STRATFORD CANNING.